

News from U.S. Rep. John Spratt (D-SC)

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Spratt Statement on the Cost of the War in Iraq

WASHINGTON – U.S. Rep. John Spratt (D-SC) today issued the following statement on the cost of the war in Iraq.

“Before the war in Iraq, the Deputy Secretary of Defense, Paul Wolfowitz, assured Congress the cost would be affordable, saying that in a short time, oil revenues would cover the cost of reconstructing Iraq. To quote his words, Secretary Wolfowitz said: ‘We are dealing with a country that can really finance its own reconstruction and relatively soon.’ When the Army Chief of Staff, General Eric Shinseki, the one general officer with the most experience running a multilateral peacekeeping force, drew from his experience in Bosnia and told the Senate that several hundred thousand troops would be needed for the post-war occupation of Iraq, he was rebuked by the Deputy Secretary of Defense.

“By under-sizing the force and underestimating the cost, the Bush Pentagon was able to spurn the support of the UN and our traditional allies, and insist that the United States could go it alone. But having heard the President’s speech last night, the American people now begin to see the consequences of a go-it-alone strategy in which American troops take all the risks and American taxpayers pay all the bills.

“The \$87 billion that the President seeks as a supplemental appropriation should come as no surprise. We have known for weeks that the cost of deploying troops in Iraq and Afghanistan runs around \$5 billion a month. The President’s request for the military comes to just about that amount, \$64 billion for Fiscal Year 2004. The balance goes to training Iraqi troops and probably to paying other countries to join our coalition.

“But a basic question has not been answered: How long will this deployment take? Will more funds be needed for troop deployments in 2005 and 2006? In truth, billions more are likely to be needed before the job is done.

“There is another problem not addressed: Where will these troops come from? CBO has just completed a study in which it sought to answer this question: Given the ground troops available, what steady-state force level can be assigned to

occupation duty indefinitely? CBO concludes that if all existing ground forces, active and reserve, are used and rotated annually into and out of Iraq, the U.S. can only sustain a force level of 67,000 to 106,000, way short of the 180,000 now deployed in the Persian Gulf area. CBO concludes that the active Army will be unable to sustain current levels past March 2004, if units are rotated as promised every 12 months. The additional forces will have to come from the Marines and the Army's Special Forces, and by dipping deeper into the Army National Guard and perhaps tapping units reserved for rapid deployment to threats in other theaters.

"If \$66 billion is needed to pay for military costs, \$20 billion is left for reconstruction of Iraq, which is only a fraction of what Ambassador Bremer, the World Bank, and the IMF have indicated is needed. Their tab runs closer to \$50-75 billion, and this covers just the basics. Last fall, we argued that if our allies were with us on the takeoff, they would be with us on the landing, and ready to share the costs of postwar reconstruction. We chose instead to go it virtually alone. It is unrealistic now to think that our motley coalition will come up with \$50 billion, and even more dubious that our allies in Europe and Japan will do so.

"What about oil revenues? Iraqi oil fields are now pumping about 800,000 barrels a day for export versus a pre-war level of 2.2 million barrels. Even when the oil fields are up to their potential, the \$15 billion they might generate is roughly what it costs to run the government of Iraq. In the long run, oil is Iraq's salvation, a key difference between it and Afghanistan. But in the short run, oil revenues will not supply its immediate needs.

"So, the President has leveled with us, but he has only lifted the veil on what's needed for now. This could well be the first of many installments, which raises the final question: How does the United States fund \$87 billion this year and billions more in years to come? In so far as the budget is concerned, \$87 billion in additional spending could hardly come at a worse time. In a couple of weeks, we will close the books on Fiscal 03, and by OMB's reckoning, the government will show a deficit of \$455 billion, followed by a deficit next year of \$475 billion; and the forecast for next year includes nothing for Iraq and Afghanistan. If the deficit that OMB projects for Fiscal 04 turns out correct, another \$87 billion in defense appropriations will shove next year's deficit further into the stratosphere, at well over a half trillion dollars.

"If this is war, and American lives are at stake, it's fair to ask: Are we going to share the sacrifice, or charge the cost to the national debt and pass it on to our children? As recently as last week, President Bush confirmed his commitment to another \$878 billion in tax cuts on top of the \$1.7 trillion enacted already. Surely we can suspend the cuts for upper bracket taxpayers not yet implemented, and offset some of the enormous cost we now know the President's policies will entail.

"We have troops in the field, pulling duty they were barely trained for, and putting their lives on the line daily. They deserve our unstinting support, and they will get it. But we will lean on President Bush to do in earnest what he should have done last year, and persuade our allies that they have a huge stake in the outcome and should contribute accordingly.

"The cost of the Persian Gulf War of 1991 came to \$80 billion in 2002 dollars. The President's father at first said that he did not want to go around the world with a "tin cup" asking for contributions; but he overcame his inhibitions. Kuwait, Saudi Arabia, and the other Gulf states absorbed part of the cost through in-kind contributions, and our allies altogether contributed \$62 billion in cash. As a result, the first war against Iraq cost the United States \$4 billion. The first Bush administration sought and achieved enough allied support to nearly cover the costs of the first Gulf War. That stands in stark contrast to this administration, which is borrowing about \$150 billion for the first two supplementals for the second war.

"Our mission in Iraq will be vindicated only if we replace the regime of Saddam Hussein with a representative government, and Iraq's dysfunctional economy with a productive economy that works for all the people of Iraq; and if we achieve a greater measure of stability throughout the entire region, and relief from terrorism around the world. We need the world community to join us in this effort."

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